



## Kish Bancorp, Inc. Announces Fourth Quarter Financial Results

### Highlight Summary

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Kish Bancorp, Inc., parent company of Kish Bank and related affiliates, has announced unaudited financial results for the period ending December 31, 2015. Highlights include the following:

- Net income of \$4.49 million, or \$3.66 per share, rose 3.09% in 2015 compared to net income of \$4.36 million, or \$3.57 per share, in 2014.
- Loans of \$451 million at December 31, 2015, increased \$31 million, or 7.41%, compared to \$420 million at December 31, 2014.
- Total deposits of \$543 million at December 31, 2015, increased \$34 million, or 6.69%, compared to \$509 million at December 31, 2014.
- Total assets reached a new high of \$697 million at year end 2015.
- Tangible book value per share of \$40.02 per share as of December 31, 2015, an increase of 4.76% over tangible book value per share of \$38.21 at December 31, 2014.
- Return on average shareholders' equity was 8.89% for 2015 compared to 9.54% for the prior year due to a \$2.4 million increase in shareholders' equity.
- The net interest margin of 3.29% for 2015, compared to 3.27% for the same period last year.

### Release

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State College, Pennsylvania (KISB) – January 29, 2016 – William P. Hayes, Chairman, President and CEO of Kish Bank and Kish Bancorp, has announced unaudited financial results for the period ending December 31, 2015.

Hayes said, "We are very pleased to continue building on the solid growth of recent years. Sustained growth in our Bank and non-bank business units remained very positive, reflecting the continued success of our team in meeting the financial needs of Kish's region. I am particularly pleased with the performance of the mortgage banking unit, which produced excellent results despite headwinds caused by the required implementation of major new consumer mortgage regulations." Hayes said other lending efforts at the Bank also achieved above average growth, as total outstanding loans rose by more than \$31 million.

## **Net Income and Balance Sheet**

Net income for the year rose to \$4.49 million, which was up 3.09% from \$4.36 million in 2014, despite an increase in compensation expense due to additions to the team and 27 pay periods in the year, up from the customary 26. The Corporation's total assets ended the quarter at \$697 million, an increase of \$37 million, or 5.65%, compared to total assets of \$660 million as of December 31, 2014. Asset growth was driven by strong growth in loans. Year-over-year, gross loans increased by \$31 million, or 7.41%, to \$451 million from \$420 million at the end of December 2014. Total deposits grew by \$34 million to \$543 million, an increase of 6.69% from \$509 million a year ago.

## **Net Interest Income**

For the year, the net interest margin rose to 3.29%, compared to 3.27% for 2014. Net interest income rose to \$19.7 million, an increase of \$1.03 million, or 5.53%, from \$18.6 million the prior year. An additional provision of \$235 thousand was made to the loan loss reserve in 2015. The allowance for loan losses at \$5.752 million represented 1.27% of total loans outstanding. While loan charge-offs rose during 2015, these charges were for previously reserved loans and did not impact 2015 earnings. The continued adequacy of the reserve is supported by strong asset quality as reflected in the level of classified loans and low loan delinquencies.

## **Noninterest Income**

Noninterest income was \$6.75 million for 2015, an increase of \$256 thousand from \$6.5 million for 2014. The increase in noninterest income came from gains from the sale of mortgages, which increased by \$170 thousand to \$820 thousand, compared to gains of \$650 thousand during 2014. Noninterest income also reflected increased revenue from other business units, including insurance and wealth management.

## **Noninterest Expense**

Year-over-year, noninterest expenses increased by \$1.36 million, or 6.89%, from \$19.7 million in 2014 to \$21 million in 2015. Primary drivers of the increase are higher compensation expenses related to an expanded workforce and one additional pay period in the year. Most other expense categories were well controlled when compared to the prior year.

Beginning in the second quarter of 2015, Kish Bancorp commenced an offering of senior debt and subordinated debt to qualified local investors. The offerings have generated significant interest among investors. These opportunities continue to be available until they are fully subscribed. The Corporation will use the proceeds to retire existing debt and augment capital to support continued growth. The Board of Directors has declared a quarterly dividend in the amount of \$0.43 per share, payable January 31, 2016 to shareholders of record as of January 15, 2016. The Board also announced the reauthorization of the Bancorp's share repurchase program of up to \$2 million.

## ***About Kish Bancorp, Inc.***

*Kish Bancorp, Inc. is a diversified financial services corporation headquartered in Belleville, PA. Kish*

*Bank, a subsidiary of Kish Bancorp, Inc., operates thirteen banking offices and financial centers in Centre, Huntingdon, and Mifflin Counties. In addition to Kish Bank, other business units include: Kish Insurance, Kish Financial Solutions, and Kish Travel. For additional information, please visit Kish Bancorp, Inc. online at [www.kishbank.com](http://www.kishbank.com). KISB is the stock ticker symbol for Kish Bancorp, Inc.*